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Voluntary - Public

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Venezuela

Post: Caracas

Sugar Cane Producers Protest

Report Categories:

Sugar

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Report Highlights:

A group of 60 sugar cane producers held a protest at the Ministry of Agriculture and Lands, and expressed their concern about subsidy payments owed to them since last year. As output prices have been controlled since 2003, producers find it difficult to cover their costs. Industry analysts foresee a declining trend in acreage and domestic production.

General Information:

According to Official Gazette No. 39,129 of March 2, 2009, a subsidy of Bs 39 per ton of sugar will be given to producers, and Ministry of Agriculture officials indicated that the subsidy is a commitment that the Government will honor.

According to the Association of Sugar Cane Producers, FESOCA, sugar cane production is declining. FESOCA estimates a harvest of 6.6 million tons of sugar cane for the period 2009-2010, nine percent less than last year's 7.2 million tons.

The sugar industry does not expect further increases in consumption in the short term, and their estimate remains at 1.12 million metric tons. Annual per capita consumption fluctuates between 35 and 41.6 kilograms, according to analysts.

VENAZUCAR, an industry association, reports that investments needed to increase milling capacity are not a priority because refined sugar prices are also controlled; sugar mills continue to invest, but only for repairs and maintenance. Current milling capacity is insufficient to process any increase of area planted to cane. National production has declined 14.8 percent since 2005. Estimates of refined sugar production stand at 621,232 metric tons. Imports of raw sugar are estimated at 578,768 metric tons. Most likely from Brazil.

Source: Major Dailies and the Official Gazette